

HRE RATE METHODOLOGY

6/23/04 – FY06 Rate Setting:

- Rates are based solely on services and will try to cluster the services into as few rates as possible for administrative ease.
- **Council approved the following rate methodology:**
 1. Program Delivery Services:
 - Rate A for labor relations only
 - Rate B for labor relations and personnel officers
 2. Employment Services:
 - Rate A for merit covered services
 - Rate B for non-merit services
 3. Benefits:
 - One rate for all services

The council decided to establish the rates using the last five-quarter average employee counts. The rates will be billed to each department using the most recent pay period actual employee count as follows:

Program Delivery Services:

- ✓ Rate A, the labor relations rate, will be used to bill the Regents based on their number of permanent AFSCME covered employees.
- ✓ Rate B, the labor relation and personnel officer rate, will be used to bill all Executive Branch, non-regent agencies, including Community Based Corrections, based on permanent employee counts.

Employment Services:

- ✓ Rate A will be used to bill all customer entities based on their number of merit-covered permanent employees
- ✓ Rate B will be used to bill all customer entities based on their number of non-merit covered permanent employees

Benefits:

- ✓ The rate will be billed to all customer entities based on the number of all permanent employees.

July 7, 2004

- After discussion, The Customer Council agreed that some minor adjustments were necessary in the data used to determine the rates. (the adjustments were not documented)

May 5, 2005 – FY07 Rate Setting

- After discussion, the Customer Council decided to use the FY06 rate methodology in FY07. This methodology establishes a rate for each service category.....
 1. Merit Employment Service
 2. Merit and Non-merit Employment Services
 3. Labor Relations
 4. Personnel Officers
 5. Benefits

Each rate will be established using a 5-quarter average of number of employees. Departments will be billed monthly based on their number of permanent full and part-time employees.

CALCULATION & APPLICATION:

1. Budgets for each line of service are developed
2. HRE provides a spreadsheet with all permanent employees, part-time employees, merit employees, and non-merit employees per quarter for the last 5 quarters for each agency. This report includes the last 5 quarters ending March 31st of the current fiscal year.
3. *First Column:* The average permanent and part-time employees of that agency.
Second Column: The average FT/PT employee numbers for each agency are divided by the total FT/PT employee numbers of the participating agencies to determine a percentage for that agency.
Third Column: The percentage is multiplied by the budgeted amount for each service to determine the annual cost to that agency.
Fourth Column: The annual cost for that agency is divided by the agency's average FT/PT employees to determine the per employee rate.
4. The agency is billed using the per employee rate multiplied by the *actual* number of employees in the second pay-period of the prior month.